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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1946

No. 1443

BORG-WARNER CORPORATION AND DAVID E. GAMBLE,

Petitioners,

VS.

GEORGE I. GOODWIN AND JOHN F. DAUKUS,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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This litigation started with an interference in the Patent Office between Gamble, assignor to Borg-Warner Corporation, one of Petitioners, and Daukus, assignor to Goodwin, one of Respondents. Both parties claimed inventorship of a clutch plate for motor vehicles.

The Patent Office decided the issue of priority of invention in favor of Daukus and granted his patent No. 2,324,913 here involved.

Petitioners, through an action under R. S. 4915, carried the issue of priority of invention to the United States District Court for the Eastern District of Michigan, Southern

Division. Later, Petitioners, filed a supplemental complaint in said action based on the Declaratory Judgment Act, alleging the Daukus patent to be invalid in view of the prior art. Respondents' answer to the supplemental complaint included a counterclaim, alleging the Daukus patent to be valid and infringed by Borg-Warner.

The questions of priority of invention, invalidity and infringement involved but a single invention covered by the Daukus patent as a whole. At the trial on the issue of infringement, certain claims were selected as illustrative.

Petitioners conceded that Daukus was the first inventor by not appealing from the dismissal of their action under R. S. 4915, so that in so far as demands for affirmative action by the court was concerned, the case stood on respondents' counterclaim which alleged validity of the Daukus patent in its entirety.

The decision and judgment of the District Court holding the Daukus patent to be invalid, was indentical both as to petitioners' supplemental complaint and respondents' counterclaim. A single appeal was in order and because of the fact that the counterclaim was the only pleading asking for affirmative action, Respondents took their appeal from the judgment dismissing the counterclaim.

Petitioners' Present Petition Represents An Afterthought Devoid of Substance.

The contentions which petitioners are now making in this their second petition for a writ of certiorari were fully considered by the Court of Appeals.

The same contentions were also presented to this Court by petitioners under "Point III" in their petition for rehearing (not in printed record) following denial of their first petition for a writ of certiorari.

Petitioners' contentions amount to a belated endeavor to have placed upon the notice of appeal filed July 20, 1945 an unintended and far-fetched construction,—which is directly contrary to that which petitioners themselves, prior to and throughout the appeal had placed upon the same.

The contentions which they are now making were available to them over a year and a half ago and, but for the fact that they represent pure afterthought, could have been advanced as early as the latter part of 1945, after the notice of appeal had been filed and when the case was being briefed prior to argument before the Court of Appeals.

Petitioners initially and throughout the entire proceeding placed the *same* interpretation on respondents' notice of appeal as that which respondents intended and that which the Court of Appeals understood, namely, that validity of the Daukus patent in its entirety was being carried to the higher court.

There was never any misunderstanding at any time on the part of anyone regarding the fact that the question of validity of the patent as a whole was the real and primary question on appeal. Petitioners were in no way misled or prejudiced.

Petitioners' present attack is the latest of a now long series of delaying moves initiated following the decision of the Court of Appeals on July 1, 1946—which decision was the result of a thorough and painstaking review of all the evidence in the case. Briefly summarizing—such subsequent moves have included two different petitions for rehearing before the Court of Appeals, each bringing up for the first time arguments which petitioners could have presented prior to or during the appeal but did not do so; the first petition to this Court for a writ of certiorari; and two different petitions for rehearing following denial of said petition for a writ of certiorari.

The District Court found the Daukus patent invalid in its entirety for want of invention (R. 40) and on that finding dismissed the counterclaim, which counterclaim (R. 30) had prayed that the patent (1) be decreed valid (R. 31) and (2) be decreed infringed (R. 31).

The Court of Appeals, after full consideration of the entire record on appeal, reversed the District Court's findings. The Court of Appeals stated in its opinion: "The principal question is the validity of the patent" (R. 440). It also stated that "the invention is clearly patentable" (R. 444); that "the patent is valid" (R. 451); and that "infringement exists" (R. 443).

Following the decision of the Court of Appeals petitioners filed a petition for rehearing (R. 453), which was denied. They then filed a second petition for rehearing (R. 489), which also was denied. Thereafter they filed a petition to this Court for a writ of certiorari (not in the record), which was denied (R. 497). After that they filed a petition to this Court for rehearing (not in the record), which was also denied (not in the record). A second petition for rehearing is now pending.

In their first petition to this Court for rehearing petitioners for the first time thought up and advanced the contentions which they are now again urging on this Court through their present petition.

Only a Single Invention Was Patented. The Broadest Claims of the Patent Were Involved in the Interference.

The Daukus patent (R. 407) discloses and claims but a single invention, which invention formed the issue of an actively and exhaustively contested interference proceeding in the Patent Office between the same parties. The interference re-explored the question of patentability as

well as priority of invention. It was finally decided in Daukus' favor on Nov. 3, 1942 (see Decision of Board of Interference Examiners, R. 13-23). The majority of the claims involved in the interference and awarded to Daukus were drafted by petitioners' present attorneys.

The claims of the Daukus patent are all directed in varying phraseology to this one invention, which invention petitioners even in this litigation continued to attempt to wrest from respondents and patent for themselves (see Bill of Complaint, R. 2).

This is not one of those cases where a patent contains one group of claims directed to one invention, which claims are infringed, and contains another group of claims directed to a different invention, or to more limited features of the same invention, which claims are not infringed.

All of the claims of the Daukus patent are directed to one particular construction of clutch plate, which construction Borg-Warner terms its "Borglite" plate—the construction which the Court of Appeals found to be an infringement.

The patent (R. 407) contains twenty-three claims. Ten of the claims, namely claims 1, 2, 3, 13, 14, 15, 17, 18, 19 and 20, constituted the counts of the exhaustively contested interference between the parties, from which interference this suit first developed as an action under R. S. 4915. Borg-Warner not only conceded but insisted throughout the interference proceeding that every one of those ten claims read upon its "Borglite" plate.

In picking out a reduced number of representative claims to illustrate infringement respondents selected but six of the interference issue claims, namely claims 13, 14, 15, 17, 19 and 20. To embrace the remaining claims of the patent in a representative manner respondents selected three other claims, namely claims 4, 6 and 23, which claims had

not been involved in the interference but were directed to identically the same subject matter. The remaining claims of the patent, namely claims 1 to 3 inclusive, 5, 7 to 12 inclusive, 16, 18, 21 and 22, all directed to the same invention, were either admittedly infringed interference issue claims or claims of the same or more limited scope than the claims which were selected.

In other words, every claim of the patent, without exception, was either (1) one of the counts of the interference, or (2) selected to illustrate infringement, or (3) substantially identical with either (1) or (2).

To illustrate this more specifically—Claim 1 of the patent was Interference Count No. 1; claim 2 was Interference Count No. 2; claim 3 was Interference Count No. 3; claim 4 was selected to illustrate infringement; claim 5 is of substantially the same scope as claim 6 (which claim was selected to illustrate infringement); claim 6 was selected to illustrate infringement; claims 7 to 12 inclusive are of substantially the same scope as claim 18 (which claim was Interference Count No. 8); claim 13 was Interference Count No. 4, it was also selected to illustrate infringement; claim 14 was Interference Count No. 5, it was also selected to illustrate infringement; claim 15 was Interference Count No. 6, it was also selected to illustrate infringement; claim 16 is of substantially the same scope as asserted claim 15; claim 17 was Interference Count No. 7, it was also selected to illustrate infringement; claim 18 was Interference Count No. 8; claim 19 was Interference Count No. 9; claim 20 was Interference Count No. 10; claim 21 is of substantially the same scope as claim 18 (which was Interference Count No. 8); claim 22 is of substantially the same scope as asserted claim 23; and claim 23 was selected to illustrate infringement.

The District Court in its decision did not consider or weigh the scope of any one claim as distinguished from another but found all of the claims invalid, not because some were broader than others but rather for "want of invention" (R. 40). In other words, the District Court found no invention in the disclosure and accordingly disposed of the validity of the patent as a whole.

In their Answer to the Counterclaim petitioners had joined issue by the assertion "Plaintiffs again assert that said letters patent No. 2,324,913 are invalid as to *all claims* thereof, and deny that defendants are entitled to any of the items of relief specified in said counterclaim" (R. 32, 33).

And in their brief before the Court of Appeals, as further evidencing their correct understanding of the scope of the appeal, they *separately* attacked the validity of *every* claim of the patent (R. 689-698), concluding with the significant assertion "Thus none of the claims . . . is valid to Daukus; the patent is invalid in its entirety."

A holding of the character which the District Court made in this case—that all of the claims of the patent are invalid "for want of invention," without reference to any particular claim or claims—is not the same in substance or effect as a holding that certain or all of the claims of a patent are invalid as defining too broadly an invention taught by the disclosure in the patent. Rather, invalidation of an *entire* patent *for want of invention,* as in this case, amounts to a holding that no invention at all is found to be present in the subject matter disclosed in the patent, wherefore the claims, lacking support of a disclosure of anything patentable, are all necessarily invalid.

In appealing to the Court of Appeals respondents' attorney so viewed the holding of the District Court—and so did petitioners' attorneys.

Respondents' Appeal Was Intended to and Did Embrace the Unfavorable Ruling of the District Court in Holding the Patent Invalid in Its Entirety. Petitioners So Understood It. They Were Not Misled or Prejudiced in Any Way.

In our counterclaim we had specifically prayed the Court to decree the *patent* (not just certain claims of the patent) to be valid (R. 31). When it decreed otherwise by holding all of the claims invalid for want of invention we appealed from that part of the judgment which dismissed our counterclaim (R. 44), since the question of the validity of the patent as a whole was embraced within our counterclaim by reason of that prayer.

Our purpose in amending the notice of appeal was to avoid any question of our having appealed from that part of the judgment which was in our favor, namely, the dismissal of the original complaint, which complaint was concerned with the question of priority of invention as between Daukus and Gamble. As the supplemental complaint was not referred to specifically in the judgment we felt that the form of the notice would be improved by stating that we were appealing from the dismissal of the counterclaim, which counterclaim was in all substantial respects the exact counterpart of the supplemental complaint and involved the same two issues, namely, (1) the question of the validity of the patent and (2) the question of infringement.

Petitioners' attack against the validity of the patent was never, either before the District Court or before the Court of Appeals, addressed to any particular claim or claims but was directed instead against the validity of the patent in its entirety—in other words, against all of the claims of the patent irrespective of whether or not some might be broader than others.

In determining what construction is to be placed upon a notice of appeal the Courts should refuse to be influenced by technical imperfections in the notice but instead should look to the substance.

Wherever possible, to do substantial justice, a construction should be placed on the notice consistent with the nature of the case, the issues involved in the pleading appealed from, the evident intent of the appealing party, and the construction placed on the notice of appeal and the appeal proceedings by the opposing party.

The ruling of the District Court that all of the claims of the Daukus patent were invalid for want of invention was the basis for the dismissal of the counterclaim, and the notice of appeal directed to the dismissal of the counterclaim in a very real sense embraced that ruling.

Petitioners so understood the counterclaim and the scope of the notice of appeal. Before the Court of Appeals they strenuously argued the validity of *every* claim of the patent (R. 689-698), not merely the claims which had been selected for assertion on the issue of infringement.

Petitioners in urging their present contentions do so in complete disregard of the following:

(1) The nature and purpose of the entire proceedings before both the District Court and the Court of Appeals, and particularly the counterclaim and the prayer for relief therein, which prayer asked (R. 31), *in addition* to a dismissal of the original and supplemental complaints, that the *patent be decreed valid;*

(2) The plain intent of the notice of appeal, addressed to the dismissal of the counterclaim, which dismissal was grounded solely on the ruling that the patent was invalid as to all the claims for want of invention;

(3) The fact that the counterclaim was in all substantial respects the same in reverse as the supplemental complaint—one asking that the patent be decreed valid (R. 31), the other asking that it be decreed invalid (R. 27); one asking that it be decreed infringed (R. 31), the other asking that it be decreed not infringed (R. 27);

(4) The fact that petitioners *understood* and treated the appeal as one addressed primarily to the adverse conclusion of law of the District Court in ruling all of the claims invalid for want of invention—in other words, the patent invalid in its entirety—which ruling was the only reason assigned by the District Court for its dismissal of the counterclaim;

(5) The fact that pursuant to the notice of appeal the *complete* record was designated for inclusion by stipulation (R. 45-49) and brought up on appeal, for the purpose of obtaining review on the merits of the question of the validity of the patent, the evidence in the record having been directed primarily to that question;

(6) The fact that the question of patentable invention was thereafter specifically set forth by respondents in their brief before the Court of Appeals, under "Statement of Questions Involved," as the first of the two questions designated for review and determination, in compliance with Rule 21-2 (2) of that Court, and *was accepted and subscribed to verbatim by petitioners* in their brief, in compliance with Rule 21-3;

(7) The fact that petitioners understood the appeal and the notice on which the appeal was predicated as necessarily embracing the question of the validity of the patent as a whole, in view of the "want of inven-

tion'' finding by the District Court, and devoted most of their brief to that question, *separately* attacking the validity, not of just certain claims, but of *every one of the claims* of the patent (R. 689-698), concluding with the significant assertion (R. 698): ''Thus none of the claims . . . is valid to Daukus, the patent is invalid in its entirety.'';

(8) The fact that respondents at no time did anything in connection with the appeal to mislead or prejudice appellees, but on the contrary consistently contended that the patent was valid;

(9) The fact that the technical entrapment now attempted by petitioners was pure afterthought, as evidenced, not only by the construction which they themselves placed upon the scope of the notice and appeal in again attacking the validity of the patent *in its entirety* but in their failure to so much as conceive of the possibility of further protracting the litigation by this means before.

(10) The way in which the Rules of Civil Procedure are intended to be construed, to do substantial justice—as reflected for example in Rule 1: ''They shall be construed to secure the just, etc.''; in Rule 8 (f): ''All pleadings shall be so construed as to do substantial justice.''; and in Rule 61: ''No error . . . in anything done or omitted . . . by any of the parties is ground for . . . vacating, modifying, or otherwise disturbing a judgment or order, unless refusal to take such action appears to the Court inconsistent with substantial justice. The Court at every stage of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.''—and the way in which such

rules are construed by this Court and the lower Courts in order to do substantial justice;

Respondents Were Not Under the Necessity of Making Any Disclaimer.

The disclaimer statutes, R. S. 4917 and 4922, were enacted for the purpose of remedying a situation where certain claims of a patent, as distinguished from other claims, were invalid because broader than the invention disclosed in the patent. Prior to such enactment any patent containing a claim which was broader than the invention disclosed in the patent was invalid in its entirety. The disclaimer statutes permit a patentee who finds that he has a "bad spot" in his patent to eliminate the same. The present case does not present such a situation.

Our position throughout this litigation has consistently been that the patent is valid. The decision of the District Court did not find any particular claim or claims to be broader than the invention disclosed in the patent but instead found the patent invalid in its entirety for "want of invention" (R. 39).

In our counterclaim we had prayed that the *patent* be decreed valid (R. 31). We had also prayed that the *patent* be decreed infringed (R. 31). The prayer of the counterclaim with respect to the issue of validity was not restricted to any claim or group of claims but was directed to the patent as a whole. Likewise, the prayer with respect to infringement was not limited by the language of the counterclaim to any particular claim or group of claims.

At the trial before the District Court we selected, for the purpose of showing infringement, and for no other purpose, a number of claims which we considered typical of what the patent covered. These claims, as petitioners

well know, were not the only claims of the patent which were infringed, but they were selected and asserted by us merely to simplify the work of the Court in passing on the question of infringement.

Respondents have never conceded, and have never been in a position where there was any reason for them to concede, that any of the claims of the patent are broader than the invention disclosed in the patent—which is the only situation where statutory disclaimers properly apply.

Conclusion.

Petitioners' present contentions come down to a question of whether or not the construction or interpretation which everyone, including petitioners, placed upon the notice of appeal, viz., that the issue of validity of the patent as a whole was being carried to the Court of Appeals, was permissible considering the subject matter and history of the litigation, the nature of the counterclaim, which paralleled the supplemental complaint, and the comprehensive relief prayed for in the counterclaim. Such was the only logical construction that could have been placed on the appeal. Only by adhering to that construction can substantial justice be done.

We submit that this second petition for a writ of certiorari is without merit and should be denied.

Respectfully submitted,

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